

Loveland Area Projects Post-2009 Resource Pool Proposed Allocations Comment Forum

Western Area Power Administration
Rocky Mountain Region
April 16, 2009

Melanie Reed
Contracts & Energy Services Manager



Loveland Area Projects (LAP) Post-2009 Resource Pool Agenda

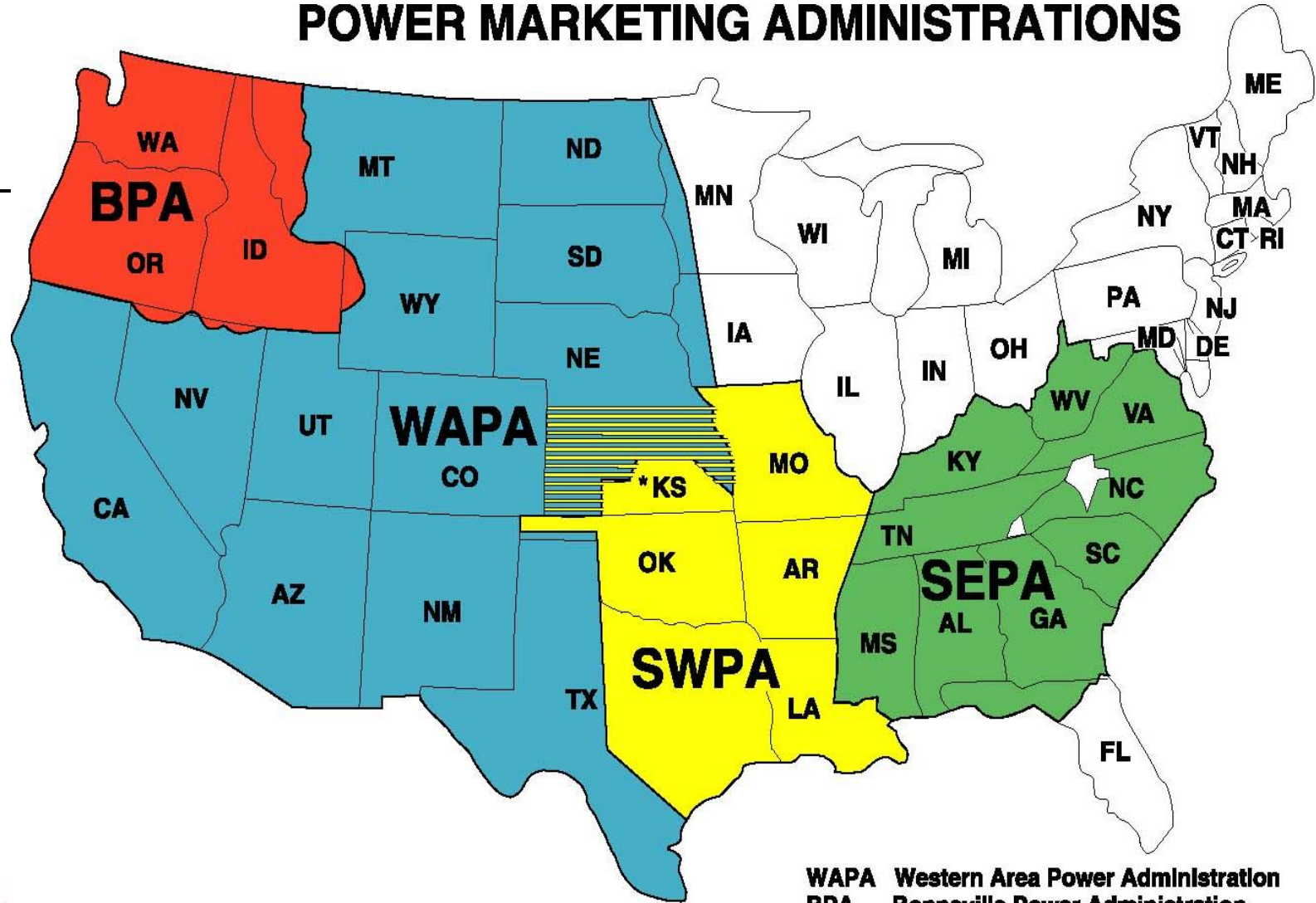
- ☐ Background
- ☐ Post-2009 LAP Resource Pool
- ☐ Post-2009 LAP Proposed Allocations
- ☐ Allocation Delivery Issues
- ☐ Comments on Post-2009 Proposed Allocations
- ☐ Schedule
- ☐ Points of Contact and Information



Background

- Power Marketing Administrations
 - Western Area Power Administration
- Rocky Mountain Region
- Post-1989 Marketing Plan
- Energy Planning and Management Program (EPAMP)

POWER MARKETING ADMINISTRATIONS

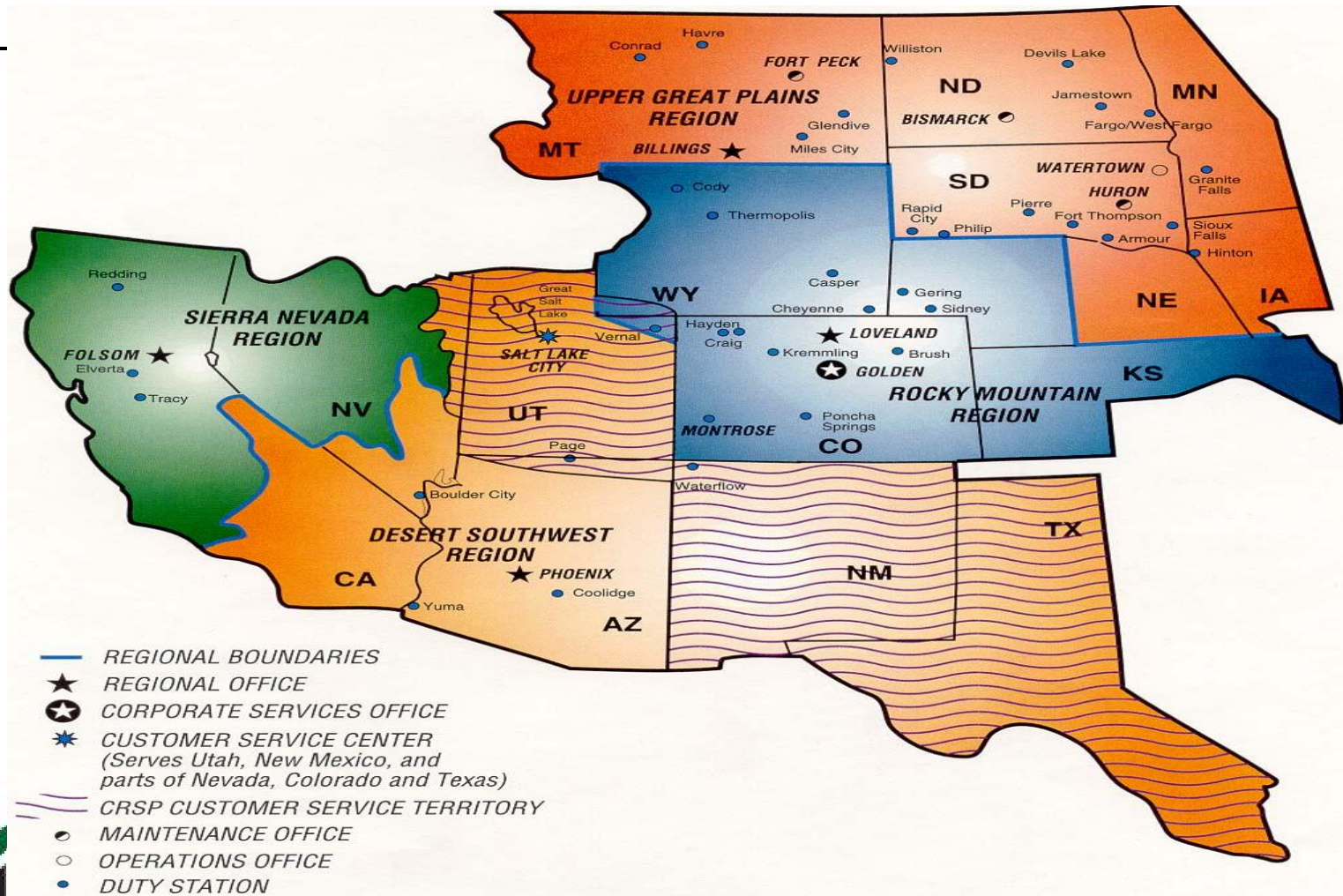


WAPA Western Area Power Administration
BPA Bonneville Power Administration
SEPA Southeastern Power Administration
SWPA Southwestern Power Administration

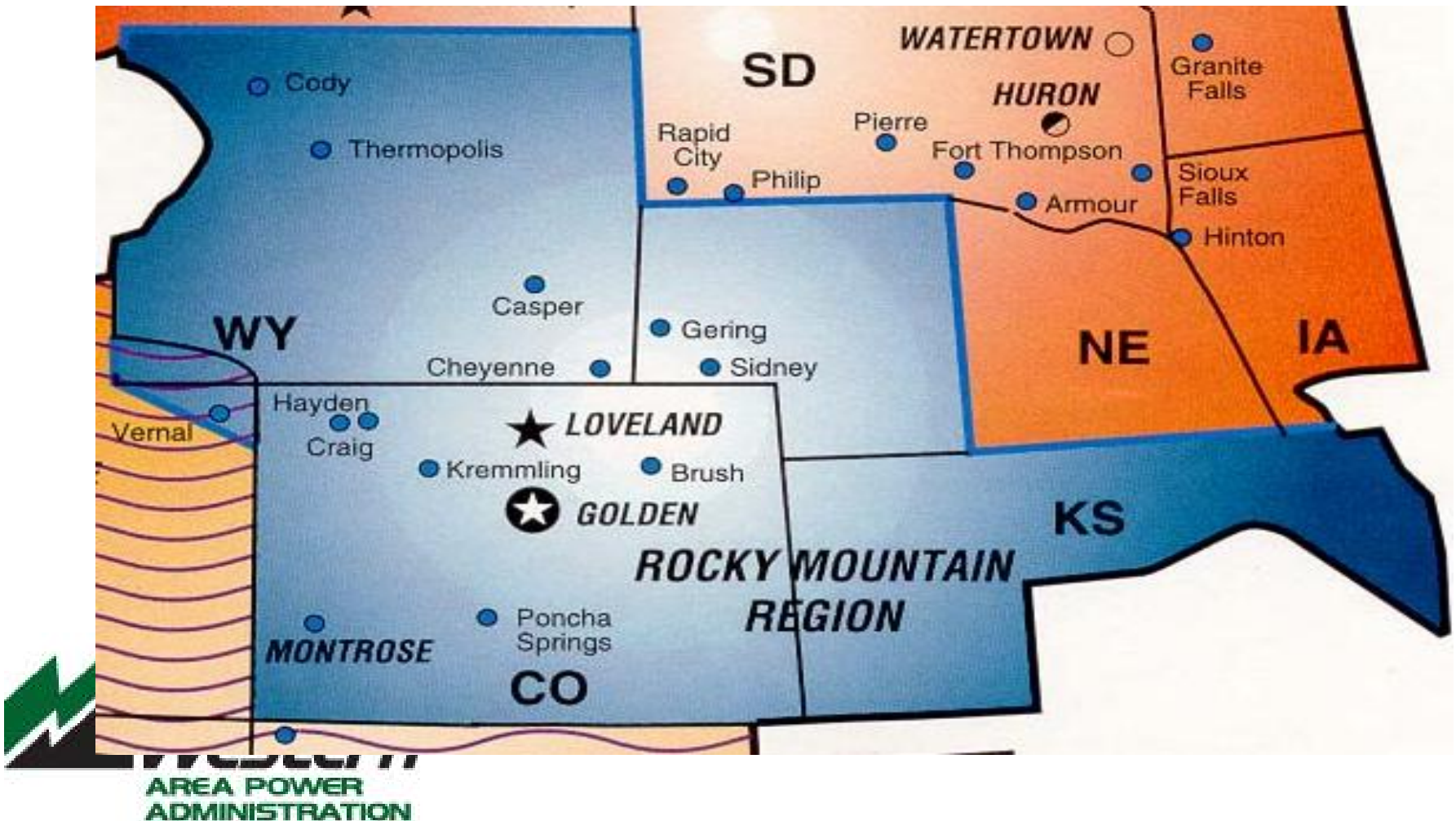
3/99

* Note: Both Western and Southwestern market power in Kansas.

Western Area Power Administration



ROCKY MOUNTAIN REGION (RMR)



Post-1989 Marketing Plan

- New Marketing Plan published
January 31, 1986
 - Integrated Pick-Sloan Western Division and Fryingpan-Arkansas Projects into the Loveland Area Projects (LAP)
- Reserved power for existing customers and provided power for new customers
- Expanded Marketing Area:
 - Colorado and Wyoming east of the Continental Divide, Western Nebraska, and part of Kansas

Energy Planning and Management Program (EPAMP) 1995

- Two components:
 - Integrated Resource Planning (IRP)
 - Power Marketing Initiative (PMI)
 - Extended contracts for existing customers for 20 years through September 30, 2024
 - Western withdraws power to create Resource Pools for new customers:
 $2004 \leq 4\%$ $2009 \leq 1\%$ $2014 \leq 1\%$
- EPAMP creates a Post-2009 resource pool of one percent (1%) by withdrawing energy and associated capacity from existing customer contracts



Post-2009 LAP Resource Pool

- ❑ Allocation Process to Date
- ❑ Resource Pool Size
- ❑ Eligibility Criteria
- ❑ Allocation Criteria
- ❑ General Contract Principles

Post-2009 LAP Allocation Process To Date

- ❑ Request for Letters of Interest (LOI) was published June 25, 2007
- ❑ September 2007 – existing customers notified of 1% withdrawal effective October 1, 2009
- ❑ Response to LOI was published July 7, 2008
- ❑ Delay occurred for Western to acquire a Paperwork Reduction Act Control Number

Post-2009 LAP Allocation Process To Date

(Continued)

- Application process began on October 22, 2008, with publication of procedures and application format
- Applications for allocations were due December 19, 2008
- Proposed allocations were published March 27, 2009

Post-2009 LAP Resource Pool

- Size of LAP Post-2009 Resource Pool:

Summer: 11.3 GWh energy / 6.9 MW capacity

Winter: 9.1 GWh energy / 6.1 MW capacity

- For the Post-2009 Allocation process, RMR returned Elwood, KS's allocation to existing customers' allocations before withdrawing 1%



Eligibility Criteria

□ Preference Entity

- Utility: municipality, cooperative, power or irrigation district
- Non-Utility: government entity, such as a national park or mass transit system
- Native American Tribe: loads must be on or near Tribal lands

Eligibility Criteria

(Continued)

- ❑ Located in the established LAP Marketing Area
- ❑ Must not currently receive benefits of LAP power
- ❑ Must use power or directly resell to its retail customers
- ❑ Utility applicants must have utility status

Allocation Criteria

- ❑ Western solely determines the allocation amounts by applying a “fair share” concept
- ❑ Allottee must execute a contract and satisfy all conditions for firm electric service delivery in the contract
- ❑ Located in existing LAP Marketing Area
- ❑ Allocations are made based on monthly capacity, load and energy data for 2007/2008 Winter Season and 2007 Summer Season



Allocation Criteria

(Continued)

- Capacity Allocation:
 - Minimum 100 kW
 - Maximum 5,000 kW
- Maximum Energy Allocation:
 - Winter 7,295 MWh
 - Summer 8,059 MWh



General Contract Principles

- Western can adjust the CROD on 5 years' notice due to hydrology and river operations changes
- Allottee is responsible for making its own third party delivery arrangements
- Western to furnish Firm Electric Service (FES) from October 1, 2009 – September 30, 2024
- Allottee must develop an Integrated Resource Plan (IRP)
- Allottee's FES contract will incorporate Western's General Power Contract Provisions (GPCPs)
- Reduction of 1% effective Oct 1, 2014



Post-2009 LAP Proposed Allocations

- Applications Received and Proposed Allottees
- Proposed Allottees' Allocations
- Allocation Method

Applications for Power and Proposed Allottees

- RMR received 4 applications, all of which qualify for an allocation of Federal power
 - 3 Municipalities in Kansas:
 - Arma – partially within RMR's marketing area, so only used the load within the Missouri River Basin to determine allocation
 - Cimarron
 - Russell



Applications for Power and Proposed Allottees (Continued)

- 1 Government Entity in Wyoming
 - University of Wyoming

Proposed Allottees' Allocations

Allottees	Proposed Post-2009 Power Allocation			
	Summer Kilowatthours	Winter Kilowatthours	Summer Kilowatts	Winter Kilowatts
City of Arma, KS	529,330	408,687	324	272
City of Cimarron, KS	1,142,083	1,066,248	698	709
City of Russell, KS	7,600,131	6,231,356	4,645	4,141
University of Wyoming	2,030,893	1,399,859	1,241	931
Total Resource Pool	11,302,437	9,106,150	6,908	6,053



Allocation Method

- ❑ Allocations are based on seasonal loads
- ❑ Allocated in proportion to total of allottees seasonal loads
- ❑ Minimum or maximum allocation does not apply to any applicant

Allocation Delivery Issues

- ❑ Western owns no generation or transmission in Kansas
- ❑ Western uses contractual arrangements to deliver power in Kansas, which include:
 - ❑ Firm Transmission Purchases
 - ❑ Displacement Contracts
 - ❑ Pooling Arrangements
 - ❑ Assignments
- ❑ A new delivery pattern within Kansas may not fit within existing arrangements
- ❑ New allocations delivered through Nebraska to Kansas may be adjusted if transmission constraints restrict delivery

Comments on Proposed Allocations

- Comments on the proposed allocations are due to RMR no later than **Monday, April 27, 2009, at 4:00 p.m. MDT**
 - Certified mail or commercial mail, send to:

Rocky Mountain Customer Service Region
Western Area Power Administration
Attn: Mr. Thomas Boyko
5555 East Crossroads Boulevard
Loveland, CO 80538-8986
 - Fax 970-461-7204
 - Email: POST2009LAP@wapa.gov

Schedule

- ❑ Monday, April 27, 2009 – Comments on proposed allocations due to RMR by 4:00 p.m. MDT
- ❑ Monday, May 11, 2009 - Proposed allottees must provide RMR their transmission confirmation or request an extension by 4:00 p.m. MDT
- ❑ Monday, June 1, 2009 – Contracts must be executed with new allottees unless an extension is granted by Western RMR
- ❑ Before October 1, 2009, RMR will:
 - ❑ Publish final allocations and responses to comments (Federal Register) ~ June 2009
 - ❑ Execute FES contracts with new allottees
 - ❑ Revise existing customers' contract exhibits ~ August 2009
 - ❑ Begin delivery of Post-2009 power allocations on October 1, 2009

Points of Contact and Information

- Contact information:

Melanie Reed, (970) 461-7229;
email mreed@wapa.gov

Susan Steshyn, (970) 461-7237;
email steshyns@wapa.gov

David Neumayer, (970) 461-7322,
email neumayer@wapa.gov

- Post-2009 Resource Pool Web site:

<http://www.wapa.gov/rm/PMcontractRM/Post2009.html>